



CONNECTICUT

**TESTIMONY OF
NATIONAL FEDERATION OF INDEPENDENT BUSINESS (NFIB)
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR
SUPPORTING**

**SB-349, AAC REGULATIONS OF SIGNIFICANT IMPACT;
HB-5431, AA REQUIRING THE SUSPENSION OF ADMINISTRATIVE PENALTIES
IMPOSED ON CERTAIN BUSINESS ENTITIES;**

**BEFORE THE
GOVERNMENT ADMINISTRATION AND ELECTIONS COMMITTEE
MARCH 10, 2014**

A non-profit, non-partisan organization founded in 1943, NFIB is Connecticut's and the nation's leading small-business association. In Connecticut, NFIB represents thousands of members and their employees. NFIB membership is scattered across the state and ranges from sophisticated high technology enterprises to "Main Street" small businesses to single-person "Mom & Pop" shops that operate in traditional ways. NFIB's mission is "To promote and protect the right of its members to own, operate, and grow their businesses." On behalf of those small- and independent- job-providers in Connecticut, I offer the following comments:

NFIB/Connecticut supports SB-349 and HB-5431. Each of these bills, individually and collectively, represents a step in the right direction for Connecticut towards tackling issues of regulatory reform and the overall impact regulations have on small businesses.

Passage of these bills could go a long way toward ensuring a better regulatory environment and a better working relationship between state agencies and small businesses in Connecticut. SB-349 would require each state agency to determine whether a proposed regulation has significant impact on businesses, or the state and municipalities, and to determine additional procedural requirements for the adoption of any regulation that is determined to be adversely impactful on those businesses or government entities. HB-5431 is a common sense bill and similar to other pieces of legislation considered by this legislature in the past that would allow businesses an opportunity to remediate first-time administrative violations.

These types of reviews, cost-benefit analyses, and subsequent consideration of regulatory impact minimization efforts for small businesses will go a long way toward creating regulatory relief for those businesses that are impacted the most. In addition, passage of legislation like HB-5431 will go a long way toward ensuring a better regulatory environment and a better working relationship between state agencies and small businesses in Connecticut, the majority of whom want to do the "right thing" and quickly remediate any inadvertent noncompliance. This legislation will move towards creating



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some much needed regulatory relief for small businesses and will certainly help foster a more business-friendly reputation for the state of Connecticut and its administrative agencies.

In the 2012 edition of *"Small Business Problems & Priorities"* by the NFIB Research Foundation, "Unreasonable Government Regulations" ranked as the 5th greatest problem of concern from small business owners, up from its 6th position in 2008. Much like taxes, this generic problem category costs small businesses in several ways: understanding and keeping up-to-date with compliance requirements, costs of consultants, employee time, management time, direct outlays, lost productivity and/or sales, forgone opportunities, etc. The federal government alone proposes approximately 150 new rules every year that cost business owners over \$100 million per rule in compliance costs. Adding state and local laws and regulations that sometimes duplicate federal regulations, merely raise the cost and frustration level for small business.

Allowing small businesses to remediate first-time regulatory violations without civil penalty if such remediation is done in a timely manner, as contemplated in HB-5431, is a reasonable approach that would help provide some much needed balance between the regulators and the regulated community. And that balance can be further achieved through the comprehensive provisions contained in SB-349, which would require an up-front look at the impact of regulations prior to the initiation of the rulemaking process, and impose additional procedural requirements for adoption of certain regulations.

Thank you for the opportunity to comment in support of SB-349 and HB-5431, and NFIB urges lawmakers to continue to support meaningful, balanced, regulatory reform efforts for Connecticut.